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# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Leslye Corsiglia

**SUBJECT:** SEE BELOW

**DATE:** August 27, 2002

Approved

Date

8.29.02

**COUNCIL DISTRICT:** Citywide

## INFORMATION

**SUBJECT: REPORT ON ACTIVITIES UNDERTAKEN BY THE DIRECTOR OF HOUSING UNDER THE DIRECTOR'S DELEGATION OF AUTHORITY FOR THE PERIOD JANUARY 1, 2002 TO JULY 25, 2002**

## BACKGROUND

On September 4, 1990, the City Council adopted Ordinance No. 23589, which delegated to the Director of Housing certain specified authorities in the administration of the City's comprehensive affordable housing program (the "Delegation of Authority"), codified in Chapter 5.06 of the Municipal Code. On May 23, 2000, the Delegation of Authority was amended by Ordinance No. 26127 to clarify certain sections and add several other provisions. On June 25, 2002, the Delegation of Authority was further amended by Ordinance No. 26657 to add several provisions. These recent changes became effective 30 days later, or July 25, 2002.

The subject report covers activities under the pre-existing Delegation of Authority Ordinance for the period of January 1, 2002 to July 25, 2002.

## ANALYSIS

The Delegation of Authority Ordinance authorizes the Director of Housing: to develop and implement additional guidelines for housing programs; to adjust terms on housing loans and grants; to change the funding sources of a loan; to convert loans to grants; to loan or grant Housing and Homeless funds, Predevelopment funds and Housing Rehabilitation Program funds; to negotiate and execute grant agreements necessary to implement Council-approved programs adopted in the Annual Action Plan of the Consolidated Plan; to provide management for, and/or dispose of, properties acquired through direct purchase, foreclosure or deed-in-lieu proceedings; to formalize the City Council's policies and procedures regarding housing loan defaults; to apply

for federal or State funding; and to make other technical changes under the Director of Housing's Delegation of Authority.

Under these parameters, the Director of Housing has taken the following actions during the period of January 1, 2002 to July 25, 2002:

**Predevelopment Loans**

None for this period

**Increases in Council-Approved Loan Amounts**

Sunset Square Apartments: On May 23, 2002, the \$2,209,000 construction-permanent loan to Sunset Charities Housing Corporation, for the Sunset Square Apartments, was increased by \$220,900 for a total of \$2,429,900 to cover the funding gap due to a decrease in two outside sources of funds, the tax-exempt bond proceeds and the tax credit equity. The proposed development is a 96-unit acquisition/rehabilitation development affordable to extremely low-very low- and low-income households.

**Loan Defaults, Foreclosures and Write Offs:**

None for this period.

**Applications for Federal or State Funding Assistance:**

On April 19, 2002, the Housing Department submitted an application to the California Housing Finance Agency (CHFA) for \$2 million of HELP Program funds. If awarded, the City would have transferred the funds to Neighborhood Housing Services Silicon Valley (NHSSV) to develop a second mortgage product designed to assist low-income first-time homebuyers in San José. The application was denied in July 2002.

**Other Changes to Terms and Conditions of Council Approved Loans:**

None for this period.

**Housing and Homeless Fund**

Emergency Housing Consortium  
ARIS

\$14,856  
\$ 3,500

HONORABLE MAYOR AND CITY COUNCIL

August 23, 2002

**Subject: Report on Activities Undertaken by the Director of Housing**

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Second Start	\$13,000
Next Door Solutions for Domestic Violence	\$50,220
Rebuilding Together Silicon Valley	<u>\$18,786</u>
<b>T O T A L</b>	<b>\$100,362</b>

**Housing Rehabilitation and Improvement Loans and Grants:**

<u>ACTIVITY</u>	<u>NUMBER</u>	<u>AMOUNT</u>
REHABILITATION LOANS	11	\$ 858,259
REHABILITATION GRANTS	266	\$3,353,892
PAINT GRANTS	484	\$1,444,783

Should you have any questions regarding any of these actions, please feel free to call me at 277-3863.

  
LESLYE CORSIGLIA  
Director of Housing